



ADMINISTRATIVE AMENDMENT
TO MONTANA AIR QUALITY PERMIT

Date of Mailing: January 20, 2009

Name of Applicant: ConocoPhillips Company

Source: Bozeman Product Terminal

Location: Bozeman, Montana

Proposed Action: The Department of Environmental Quality (Department) proposes to issue an Administrative Amendment, with conditions, to the above-named permittee. The permit will be assigned #2945-04. The permittee may appeal the Department's decision to the Board of Environmental Review (Board). A request for hearing must be filed by February 4, 2009. This permit shall become final on February 5, 2009, unless the Board orders a stay on the permit.

Proposed Conditions: See attached.

Procedures for Appeal: The permittee may request a hearing before the Board. Any appeal must be filed before the final date stated above. The request for hearing shall contain an affidavit setting forth the grounds for the request. Any hearing will be held under the provisions of the Montana Administrative Procedures Act. Submit requests for hearing in triplicate to: Chairman, Board of Environmental Review, P.O. Box 200901, Helena, Montana 59620.

For the Department,

Vickie Walsh
Air Permitting Program Supervisor
Air Resources Management Bureau
(406) 444-3490

Alan Dreesbach
Environmental Engineer
Air Resources Management Bureau
(406) 444-2847

VW:AD
Enclosure

AIR QUALITY PERMIT

Issued to: ConocoPhillips Company Permit: #2945-04
P.O. Box 30198 Administrative Amendment (AA)
Billings, MT 59107-0198 Request Received: 08/08/08
Department Decision on AA: 01/20/09
Permit Final:
AFS #031-0012

An air quality permit, with conditions, is hereby granted to ConocoPhillips Company (ConocoPhillips) pursuant to Sections 75-2-204 and 211 of the Montana Code Annotated (MCA), as amended, and the Administrative Rules of Montana (ARM) 17.8.740, *et seq.*, as amended, for the following:

Section I: Permitted Facilities

A. Plant Location

ConocoPhillips operates a bulk gasoline terminal, which stores and transfers petroleum products (gasoline and distillate) received from the pipeline and distributes them to regional markets via tank truck. This facility is located in NW¼ of Section 6, Township 2 South, Range 6 East, in Gallatin County, Montana, just north of the city of Bozeman. The facility is known as the Bozeman bulk terminal. A complete list of permitted equipment is contained in the Permit Analysis.

B. Current Permit Action

A letter from ConocoPhillips dated August 6, 2008, and received by the Montana Department of Environmental Quality (Department) August 8, 2008, requested an administrative amendment to further limit the facility's annual truck loading throughput of gasoline. The throughput limit was requested to be reduced to 97,500,000 gallons per year of gasoline. The current permit action incorporates the request into the Montana Air Quality Permit.

Section II: Conditions and Limitations

A. Tank Truck Loading Rack:

1. Loading of tank trucks shall be restricted to the use of submerged fill and dedicated normal service and/or switch loaded service (ARM 17.8.749).
2. ConocoPhillips shall be limited to a maximum of 97,500,000 gallons of gasoline throughput for the truck loadout operation during any rolling 12-month period (ARM 17.8.749).
3. ConocoPhillips shall be limited to a maximum of 105,000,000 gallons of distillate product throughput for the truck loadout operation during any rolling 12-month period (ARM 17.8.749).
4. ConocoPhillips shall not cause or authorize the use of any haul roads, access roads, parking lots, or the general plant property without taking reasonable precautions to control emissions of airborne particulate matter (ARM 17.8.308).

5. ConocoPhillips shall treat all unpaved portions of the access roads, parking lots, and general plant area with water and/or chemical dust suppressant, as necessary, to maintain compliance with the reasonable precautions limitation in Section II.A.4 (ARM 17.8.749).
6. ConocoPhillips shall not cause or authorize emissions to be discharged into the outdoor atmosphere from any sources installed after November 23, 1968, that exhibit an opacity of 20% or greater averaged over 6 consecutive minutes (ARM 17.8.304).

B. Inspection and Repair Requirements:

1. Each calendar month, all valves, flanges, pump seals, and open-ended lines shall be inspected for total organic compound leaks. For purposes of this requirement, detection methods incorporating sight, sound, or smell are acceptable (ARM 17.8.749).
2. ConocoPhillips shall (ARM 17.8.749):
 - a. Make a first attempt at repair for any leak not later than 5 calendar days after the leak is detected; and
 - b. Repair any leak as soon as practicable, but not later than 15 calendar days after it is detected, except as provided in Section II.B.3. below.
3. Delay of repair of equipment for which a leak has been detected will be allowed if repair is technically infeasible without a source shutdown. Such equipment shall be repaired before the end of the first source shutdown after detection of the leak (ARM 17.8.749).

C. Testing Requirements

1. All compliance source tests shall be conducted in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).
2. The Department may require testing (ARM 17.8.105).

D. Operational Reporting Requirements

1. ConocoPhillips shall document, by month, the gasoline and distillate throughput for the truck loadout operation. By the 25th of each month, ConocoPhillips shall total the amount of throughput by fuel for the previous month. The monthly information will be used to verify compliance with the rolling 12-month limitations in Sections II.A.2. and II.A.3. The information for each of the previous months shall be submitted along with annual emission inventory (ARM 17.8.749).
2. A record of each monthly leak inspection required under Section II.B. of this permit shall be kept on file at the bulk terminal. Inspection records shall include, at a minimum, the following information (ARM 17.8.749):
 - a. Date of inspection;
 - b. Findings (may indicate no leaks discovered or location, nature, and severity of each leak);

- c. Leak determination method;
 - d. Corrective action (date each leak repaired and reasons for any repair interval in excess of 15 calendar days); and
 - e. Inspector's name and signature.
3. ConocoPhillips shall supply the Department with annual production information for all emission points, as required by the Department in the annual emission inventory request. The request will include, but is not limited to, all sources of emissions identified in the Emission Inventory contained in the Permit Analysis. For reporting purposes, the tanks shall be identified using the tank numbers contained in Section I.A. of the Permit Analysis.

Production information shall be gathered on a calendar-year basis and submitted to the Department by the date required in the emission inventory request. Information shall be in the units required by the Department. This information may be used for calculating operating fees, based on actual emissions from the facility, and/or to verify compliance with permit limitations (ARM 17.8.505).

4. ConocoPhillips shall notify the Department of any construction or improvement project conducted pursuant to ARM 17.8.745, that would include a change in control equipment, stack height, stack diameter, stack flow, stack gas temperature, source location or fuel specifications, or would result in an increase in source capacity above its permitted operation or the addition of a new emission unit. The notice must be submitted to the Department, in writing, 10 days prior to start up or use of the proposed de minimis change, or as soon as reasonably practicable in the event of an unanticipated circumstance causing the de minimis change, and must include the information requested in ARM 17.8.745(1)(d) (ARM 17.8.745).
5. All records compiled in accordance with this permit must be maintained by ConocoPhillips as a permanent business record for at least 5 years following the date of the measurement, must be available at the plant site for inspection by the Department, and must be submitted to the Department upon request (ARM 17.8.749).

Section III: General Conditions

- A. Inspection – ConocoPhillips shall allow the Department's representatives access to the source at all reasonable times for the purpose of making inspections or surveys, collecting samples, obtaining data, auditing any monitoring equipment (CEMS, CERMS) or observing any monitoring or testing, and otherwise conducting all necessary functions related to this permit.
- B. Waiver – The permit and the terms, conditions, and matters stated herein shall be deemed accepted if ConocoPhillips fails to appeal as indicated below.
- C. Compliance with Statutes and Regulations – Nothing in this permit shall be construed as relieving ConocoPhillips of the responsibility for complying with any applicable federal or Montana statute, rule, or standard, except as specifically provided in ARM 17.8.740, *et seq.* (ARM 17.8.756).

- D. Enforcement – Violations of limitations, conditions and requirements contained herein may constitute grounds for permit revocation, penalties, or other enforcement action as specified in Section 75-2-401, *et seq.*, MCA.
- E. Appeals – Any person or persons jointly or severally adversely affected by the Department's decision may request, within 15 days after the Department renders its decision, upon affidavit setting forth the grounds therefore, a hearing before the Board of Environmental Review (Board). A hearing shall be held under the provisions of the Montana Administrative Procedures Act. The filing of a request for a hearing does not stay the Department's decision, unless the Board issues a stay upon receipt of a petition and a finding that a stay is appropriate under Section 75-2-211(11)(b), MCA. The issuance of a stay on a permit by the Board postpones the effective date of the Department's decision until conclusion of the hearing and issuance of a final decision by the Board. If a stay is not issued by the Board, the Department's decision on the application is final 16 days after the Department's decision is made.
- F. Permit Inspection – As required by ARM 17.8.755, Inspection of Permit, a copy the air quality permit shall be made available for inspection by the Department at the location of the source.
- G. Permit Fee – Pursuant to Section 75-2-220, MCA, as amended by the 1991 Legislature, failure to pay the annual operation fee by ConocoPhillips may be grounds for revocation of this permit, as required by that section and rules adopted thereunder by the Board.
- H. Duration of Permit – Construction or installation must begin or contractual obligations entered into that would constitute substantial loss within 3 years of permit issuance and proceed with due diligence until the project is complete or the permit shall expire (ARM 17.8.762).

PERMIT ANALYSIS
ConocoPhillips Bozeman Terminal
Permit #2945-04

I. Introduction/Process Description

A. Permitted Equipment

ConocoPhillips Company (ConocoPhillips) operates a bulk gasoline terminal that includes the following equipment:

Source	Install.	Fuel Stored	Cap. (Barrels)	Type of Tank
Loading Rack	1955			
T-10	1955	RVP 11.5 Gasoline	20000	Int. Flt. Roof
T-11	1955	RVP 11.5 Gasoline	20000	Int. Flt. Roof
T-12	1955	Jet Kerosene	20000	Ver.Fxd Roof
T-13	1955	Jet Kerosene	20000	Ver.Fxd Roof
¹ T-15	1966	RVP 11.5 Gasoline	40000	Int. Flt. Roof

Additive Tanks

²Fugitive Emissions

²Miscellaneous Emissions

¹ConocoPhillips has requested that T-15 be removed from the facility potential to emit. T-15 is no longer in service and service piping has been disconnected.

²See Section IV - emission inventory

B. Source Description

ConocoPhillips operates a bulk gasoline terminal, which stores and transfers petroleum products (gasoline and distillate) received from the pipeline and distributes them to regional markets via tank truck. This facility is located in the NW¼ of Section 6, Township 2 South, Range 6 East, Gallatin County, Montana, just north of the city of Bozeman. The facility is known as the Bozeman bulk terminal. The surrounding vicinity is mainly industrial

C. Permit History

The Bozeman Product Terminal was installed and operating by 1955. Tanks were installed from 1955 to 1966 and therefore the facility was grandfathered from the Air Quality Preconstruction Permit process. On September 28, 1997, **Montana Air Quality Permit (MAQP) #2945-00** was issued final to Conoco, Inc. (Conoco), for the operation of a bulk gasoline terminal. MAQP #2945-00 reflected the fact that Conoco requested a throughput limit on the facility. The proposed throughput limit kept Conoco below the 40 code of federal regulations (CFR) 63, Subpart R applicability threshold.

On March 30, 1998, the Montana Department of Environmental Quality (Department) modified MAQP #2945-00. The modification corrected an error made in the original permitting process, as reflected in Section II.A.1. This condition did not contain the "...and/or switch loaded service language," which should have been included in MAQP #2945-00. **MAQP #2945-01** replaced MAQP #2945-00.

A letter from ConocoPhillips dated January 3, 2003, and received by the Department, January 10, 2003, notified the Department that Conoco had changed its name to ConocoPhillips. The permit action changed the facility name from Conoco to ConocoPhillips. **MAQP #2945-02** replaced MAQP #2945-01.

A letter from ConocoPhillips dated November 24, 2004, and received by the Department December 1, 2004, notified the Department that ConocoPhillips planned to install a 3,000-gallon vertical tank used to store a lubricity additive. Since the uncontrolled potential to emit (PTE) of the 3,000-gallon vertical tank is less than 15 tons per year of any regulated pollutant the tank was added to the permit under the provisions of ARM 17.8.745 Montana Air Quality Permits--Exclusion for De Minimis Changes. The permit was also updated to reflect current permit language and rule references used by the Department. **MAQP #2945-03** replaced MAQP #2945-02.

D. Current Permit Action

A letter from ConocoPhillips dated August 6, 2008, and received by the Department August 8, 2008, requested an administrative amendment to further limit the facilities annual truck loading throughput of gasoline. The throughput limit was requested to be reduced to 97,500,000 gallons per year of gasoline. **MAQP #2945-04** replaces MAQP #2945-03.

E. Additional Information

Additional information, such as applicable rules and regulations, Best Available Control Technology (BACT)/Reasonably Available Control Technology (RACT) determinations, air quality impacts, and Environmental Assessments, is included in the analysis associated with each change to the permit.

II. Applicable Rules and Regulations

The following are partial explanations of some applicable rules and regulations that apply to the facility. The complete rules are stated in the ARM and are available, upon request, from the Department. Upon request, the Department will provide references for the location of complete copies of all applicable rules and regulations or copies where appropriate.

A. ARM 17.8, Subchapter 1 - General Provisions, including, but not limited to:

1. ARM 17.8.101 Definitions. This rule includes a list of applicable definitions used in this chapter, unless indicated otherwise in a specific subchapter.
2. ARM 17.8.105 Testing Requirements. Any person or persons responsible for the emission of any air contaminant into the outdoor atmosphere shall, upon written request of the Department, provide the facilities and necessary equipment, including instruments and sensing devices, and shall conduct tests, emission or ambient, for such periods of time as may be necessary, using methods approved by the Department.
3. ARM 17.8.106 Source Testing Protocol. The requirements of this rule apply to any emission source testing conducted by the Department, any source, or other entity as required by any rule in this chapter, or any permit or order issued pursuant to this chapter, or the provisions of the Clean Air Act of Montana, 75-2-101, *et seq.*, Montana Code Annotated (MCA).

ConocoPhillips shall comply with the requirements contained in the Montana Source Test Protocol and Procedures Manual, including, but not limited to, using the proper test methods and supplying the required reports. A copy of the Montana Source Test Protocol and Procedures Manual is available from the Department upon request.

4. ARM 17.8.110 Malfunctions. (2) The Department must be notified promptly by telephone whenever a malfunction occurs that can be expected to create emissions in excess of any applicable emission limitation or to continue for a period greater than 4 hours.
5. ARM 17.8.111 Circumvention. (1) No person shall cause or permit the installation or use of any device or any means that, without resulting in reduction of the total amount of air contaminant emitted, conceals or dilutes an emission of air contaminant that would otherwise violate an air pollution control regulation. (2) No equipment that may produce emissions shall be operated or maintained in such a manner as to create a public nuisance.

B. ARM 17.8, Subchapter 2 - Ambient Air Quality, including, but not limited to:

1. ARM 17.8.204 Ambient Air Monitoring
2. ARM 17.8.210 Ambient Air Quality Standards for Sulfur Dioxide
3. ARM 17.8.211 Ambient Air Quality Standards for Nitrogen Dioxide
4. ARM 17.8.212 Ambient Air Quality Standards for Carbon Monoxide
5. ARM 17.8.213 Ambient Air Quality Standard for Ozone
6. ARM 17.8.214 Ambient Air Quality Standard for Hydrogen Sulfide
7. ARM 17.8.220 Ambient Air Quality Standard for Settled Particulate Matter
8. ARM 17.8.221 Ambient Air Quality Standard for Visibility
9. ARM 17.8.222 Ambient Air Quality Standard for Lead
10. ARM 17.8.223 Ambient Air Quality Standard for PM₁₀

ConocoPhillips must maintain compliance with the applicable ambient air quality standards.

C. ARM 17.8, Subchapter 3 - Emission Standards, including, but not limited to:

1. ARM 17.8.304 Visible Air Contaminants. This rule requires that no person may cause or authorize emissions to be discharged into the outdoor atmosphere from any source installed after November 23, 1968, that exhibit an opacity of 20% or greater averaged over 6 consecutive minutes.
2. ARM 17.8.308 Particulate Matter, Airborne. (1) This rule requires an opacity limitation of less than 20% for all fugitive emission sources and that reasonable precautions be taken to control emissions of airborne particulate matter. (2) Under this rule, ConocoPhillips shall not cause or authorize the use of any street, road, or parking lot without taking reasonable precautions to control emissions of airborne particulate matter.
3. ARM 17.8.309 Particulate Matter, Fuel Burning Equipment. This rule requires that no person shall cause, allow, or permit to be discharged into the atmosphere particulate matter caused by the combustion of fuel in excess of the amount determined by this rule.

4. ARM 17.8.310 Particulate Matter, Industrial Process. This rule requires that no person shall cause, allow, or permit to be discharged into the atmosphere particulate matter in excess of the amount set forth in this rule.
 5. ARM 17.8.322 Sulfur Oxide Emissions--Sulfur in Fuel. This rule requires that no person shall burn liquid, solid, or gaseous fuel in excess of the amount set forth in this rule.
 6. ARM 17.8.324 Hydrocarbon Emissions--Petroleum Products. (3) No person shall load or permit the loading of gasoline into any stationary tank with a capacity of 250 gallons or more from any tank truck or trailer, except through a permanent submerged fill pipe, unless such tank is equipped with a vapor loss control device as described in (1) of this rule.
 7. ARM 17.8.340, Standard of Performance for New Stationary Sources. This rule incorporates by reference, 40 CFR Part 60, Standards of Performance for New Stationary Sources (NSPS). The bulk terminal is not an NSPS-affected source because it does not meet the definition of any NSPS subpart defined in 40 CFR Part 60.
 8. ARM 17.8.341 Standards of Performance for Hazardous Air Pollutants. The source shall comply with the standards and provisions of 40 CFR Part 61, as appropriate.
 9. ARM 17.8.342 Emission Standards for Hazardous Air Pollutants for Source Categories. The source, as defined and applied in 40 CFR Part 63, shall comply with the requirements of 40 CFR Part 63. However, ConocoPhillips has reduced emissions below applicability threshold levels; therefore, 40 CFR Part 63, Subpart R does not apply to this source.
- D. ARM 17.8, Subchapter 5 - Air Quality Permit Application, Operation, and Open Burning Fees, including, but not limited to:
1. ARM 17.8.504 Air Quality Permit Application Fees. This rule requires that an applicant submit an air quality permit application fee concurrent with the submittal of an air quality permit application. A permit application is incomplete until the proper application fee is paid to the Department. ConocoPhillips was not required to submit a fee because the current permitting action is administrative.
 2. ARM 17.8.505 When Permit Required--Exclusions. An annual air quality operation fee must, as a condition of continued operation, be submitted to the Department by each source of air contaminants holding an air quality permit (excluding an Open Burning Permit) issued by the Department. The air quality operation fee is based on the actual or estimated actual amount of air pollutants emitted during the previous calendar year.

An air quality operation fee is separate and distinct from an air quality permit application fee. The annual assessment and collection of the air quality operation fee, described above, shall take place on a calendar-year basis. The Department may insert into any final permit issued after the effective date of these rules, such conditions as may be necessary to require the payment of an air quality operation fee on a calendar-year basis, including provisions that prorate the required fee amount.

- E. ARM 17.8, Subchapter 7 - Permit, Construction, and Operation of Air Contaminant Sources, including, but not limited to:
1. ARM 17.8.740 Definitions. This rule is a list of applicable definitions used in this chapter, unless indicated otherwise in a specific subchapter.
 2. ARM 17.8.743 Montana Air Quality Permits--When Required. This rule requires a person to obtain an air quality permit or permit alteration to construct, alter or use any air contaminant sources that have the PTE greater than 25 tons per year of any pollutant. ConocoPhillips' Bozeman facility has the PTE more than 25 tons per year of Volatile Organic Carbon (VOC); therefore, an air quality permit is required.
 3. ARM 17.8.744 Montana Air Quality Permits--General Exclusions. This rule identifies the activities that are not subject to the Montana Air Quality Permit program. Although ConocoPhillips was previously grandfathered from the required air quality preconstruction permit, they requested a permit that would allow them to stay below the 40 CFR 63, Subpart R applicability threshold.
 4. ARM 17.8.745 Montana Air Quality Permits--Exclusion for De Minimis Changes. This rule identifies the de minimis changes at permitted facilities that do not require a permit under the Montana Air Quality Permit Program.
 5. ARM 17.8.748 New or Modified Emitting Units--Permit Application Requirements. (1) This rule requires that a permit application be submitted prior to installation, alteration or use of a source. ConocoPhillips was not required to submit an application for the current permit action because it is considered administrative. (7) This rule requires that the applicant notify the public by means of legal publication in a newspaper of general circulation in the area affected by the application for a permit. ConocoPhillips was not required to submit a public notice because the current permit action is considered administrative.
 6. ARM 17.8.749 Conditions for Issuance or Denial of Permit. This rule requires that the permits issued by the Department must authorize the construction and operation of the facility or emitting unit subject to the conditions in the permit and the requirements of this subchapter. This rule also requires that the permit must contain any conditions necessary to assure compliance with the Federal Clean Air Act (FCAA), the Clean Air Act of Montana, and rules adopted under those acts.
 7. ARM 17.8.752 Emission Control Requirements. This rule requires a source to install the maximum air pollution control capability that is technically practicable and economically feasible, except that BACT shall be utilized. The required BACT analysis is included in Section III of this permit analysis.
 8. ARM 17.8.755 Inspection of Permit. This rule requires that air quality permits shall be made available for inspection by the Department at the location of the source.
 9. ARM 17.8.756 Compliance with Other Requirements. This rule states that nothing in the permit shall be construed as relieving ConocoPhillips of the responsibility for complying with any applicable federal or Montana statute, rule, or standard, except as specifically provided in ARM 17.8.740, *et seq.*

10. ARM 17.8.759 Review of Permit Applications. This rule describes the Department's responsibilities for processing permit applications and making permit decisions on those permit applications that do not require the preparation of an Environmental Impact Statement.
11. ARM 17.8.762 Duration of Permit. An air quality permit shall be valid until revoked or modified, as provided in this subchapter, except that a permit issued prior to construction of a new or altered source may contain a condition providing that the permit will expire unless construction is commenced within the time specified in the permit, which in no event may be less than 1 year after the permit is issued.
12. ARM 17.8.763 Revocation of Permit. An air quality permit may be revoked upon written request of the permittee, or for violations of any requirement of the Clean Air Act of Montana, rules adopted under the Clean Air Act of Montana, the FCAA, rules adopted under the FCAA, or any applicable requirement contained in the Montana State Implementation Plan (SIP).
13. ARM 17.8.764 Administrative Amendment to Permit. An air quality permit may be amended for changes in any applicable rules and standards adopted by the Board of Environmental Review (Board) or changed conditions of operation at a source or stack that do not result in an increase of emissions as a result of those changed conditions. The owner or operator of a facility may not increase the facility's emissions beyond permit limits unless the increase meets the criteria in ARM 17.8.745 for a de minimis change not requiring a permit, or unless the owner or operator applies for and receives another permit in accordance with ARM 17.8.748, ARM 17.8.749, ARM 17.8.752, ARM 17.8.755, and ARM 17.8.756, and with all applicable requirements in ARM Title 17, Chapter 8, Subchapters 8, 9, and 10.
14. ARM 17.8.765 Transfer of Permit. This rule states that an air quality permit may be transferred from one person to another if written notice of Intent to Transfer, including the names of the transferor and the transferee, is sent to the Department.

F. ARM 17.8, Subchapter 8 - Prevention of Significant Deterioration of Air Quality, including, but not limited to:

1. ARM 17.8.801 Definitions. This rule is a list of applicable definitions used in this subchapter.
2. ARM 17.8.818 Review of Major Stationary Sources and Major Modifications-- Source Applicability and Exemptions. The requirements contained in ARM 17.8.819 through ARM 17.8.827 shall apply to any major stationary source and any major modification, with respect to each pollutant subject to regulation under the FCAA that it would emit, except as this subchapter would otherwise allow.

This facility is not a major stationary source since this facility is not a listed source and the facility's PTE is below 250 tons per year of any pollutant (excluding fugitive emissions).

G. ARM 17.8, Subchapter 12 - Operating Permit Program Applicability, including, but not limited to:

1. ARM 17.8.1201 Definitions. (23) A Major Source under Section 7412 of the FCAA is defined as any source having:
 - a. PTE > 100 tons/year of any pollutant;
 - b. PTE > 10 tons/year of any one Hazardous Air Pollutant (HAP), PTE > 25 tons/year of a combination of all HAPs, or lesser quantity as the Department may establish by rule; or
 - c. PTE > 70 tons/year of PM₁₀ in a serious PM₁₀ nonattainment area.
2. ARM 17.8.1204 Air Quality Operating Permit Program. Title V of the FCAA Amendments of 1990 requires that all sources, as defined in ARM 17.8.1204 (1), obtain a Title V Operating Permit. In reviewing and issuing Air Quality Permit #2945-03 for ConocoPhillips the following conclusions were made:
 - a. The facility's PTE is greater than 100 tons/year for VOC.
 - b. The facility's PTE is less than 10 tons/year of any one HAP and less than 25 tons/year of all HAPs.
 - c. This source is not located in a serious PM₁₀ nonattainment area.
 - d. This facility is not subject to an NSPS.
 - e. This facility is not subject to any current NESHAP or MACT standards with the operational limit implemented through this permit.
 - f. This source is not a Title IV affected source, nor a solid waste combustion unit.
 - g. The source is not an EPA designated Title V source.

Based on these facts, the Department determined that the ConocoPhillips is subject to the Title V Operating Permit program. Title V Operating Permit #OP2945-03 was issued final and effective on June 12, 2007.

III. BACT Determination

A BACT determination is required for each new or altered source. ConocoPhillips shall install on the new or altered source the maximum air pollution control capability that is technically practicable and economically feasible, except that best available control technology shall be utilized. A BACT analysis was not required for the current permit action because the action is considered to be administrative.

IV. Emission Inventory

<i>¹PTE Summary for Bozeman Product Terminal</i>	
<i>Source Description</i>	<i>VOCs (tons/year)</i>
Truck Loading Rack (gasoline and distillate)	241.35
Tank 10 (gasoline fugitives)	2.81
Tank 11 (gasoline fugitives)	1.05
Tank 12 (distillate fugitives)	0.40
Tank 13 (distillate fugitives)	0.38
Other Liquid Fugitive Emissions	0.14
Other Miscellaneous Emissions	3.41
<i>Total Facility VOC Emissions</i>	<i>249.54</i>

¹A complete emission inventory is on file with the Department.

<i>¹HAP Speciation for Bozeman Product Terminal</i>	
<i>Compound</i>	<i>HAPs (tons/year)</i>
2,2,4-Trimethylpentane	1.754
Benzene	1.748
Cumene	0.086
Ethyl benzene	0.251
Naphthalene/Methylnaphthalenes	0.004
n-Hexane	6.044
Toluene	2.753
Xylene (mixed isomers)	1.007
<i>Total Facility HAP Emissions</i>	<i>13.65</i>

¹A complete emission inventory is on file with the Department.

V. Existing Air Quality

ConocoPhillips is located in the NW¼ of Section 6, Township 2 South, Range 6 East, in Gallatin County, Montana. This area is considered unclassified for all criteria pollutants. The majority of the emissions from the facility are VOC.

VI. Ambient Air Impact Analysis

The Department did not conduct ambient air modeling for this permit action. The Department believes it will not cause or contribute to a violation of any ambient air quality standard because the permit action was an administrative change that further limited potential emissions from the facility.

VII. Taking or Damaging Implication Analysis

As required by 2-10-105, MCA, the Department conducted the following private property taking and damaging assessment.

YES	NO	
X		1. Does the action pertain to land or water management or environmental regulation affecting private real property or water rights?
	X	2. Does the action result in either a permanent or indefinite physical occupation of private property?
	X	3. Does the action deny a fundamental attribute of ownership? (ex.: right to exclude others, disposal of property)
	X	4. Does the action deprive the owner of all economically viable uses of the property?
	X	5. Does the action require a property owner to dedicate a portion of property or to grant an easement? [If no, go to (6)].
		5a. Is there a reasonable, specific connection between the government requirement and legitimate state interests?
		5b. Is the government requirement roughly proportional to the impact of the proposed use of the property?
	X	6. Does the action have a severe impact on the value of the property? (consider economic impact, investment-backed expectations, character of government action)
	X	7. Does the action damage the property by causing some physical disturbance with respect to the property in excess of that sustained by the public generally?
	X	7a. Is the impact of government action direct, peculiar, and significant?
	X	7b. Has government action resulted in the property becoming practically inaccessible, waterlogged or flooded?
	X	7c. Has government action lowered property values by more than 30% and necessitated the physical taking of adjacent property or property across a public way from the property in question?
	X	Takings or damaging implications? (Taking or damaging implications exist if YES is checked in response to question 1 and also to any one or more of the following questions: 2, 3, 4, 6, 7a, 7b, 7c; or if NO is checked in response to questions 5a or 5b; the shaded areas)

Based on this analysis, the Department determined there are no taking or damaging implications associated with this permit action.

VIII. Environmental Assessment

This permitting action is considered an administrative action; therefore, an Environmental Assessment is not required.

Permit Analysis Prepared By: Alan Dreesbach

Date: January 20, 2009